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[Third Party Communication:

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**From:** [REDACTED]

**Sent:** Tuesday, July 22, 2014 8:19 AM

**To:** [REDACTED]

**Cc:** [REDACTED]

**Bcc:**

**Subject:** RE: Bankruptcy of Parent

A parent's bankruptcy does not convert the partnership items of a non-bankrupt subsidiary corporation for the partnership in which the subsidiary is a partner. In such case, we would have to assess only the subsidiary based on the outcome of the TEFRA partnership proceeding using the consolidated return to compute the several liability to be assessed against the subsidiary.

Alternatively, we can issue a converted item notice of deficiency to the parent and make the assessment against the parent based on the outcome of that deficiency proceeding.

We would collect the several liability only once of course, but who we collect against may depend on who still has assets to satisfy the collection.